

Mortgage Insurance Programs on Indian Reservations and Other Restricted Lands (Section 248)

FHA insures loans made to Native Americans to buy, build, or rehabilitate houses on Indian land. These loans are fundamentally the same as Section 203(b) loans except that they are only available to Native Americans on Indian land.

Nature of Program: FHA's mortgage insurance provides opportunities for low- and moderate-income Native Americans to purchase an existing home (including a manufactured or mobile home, providing it meets certain FHA requirements) or to build a new home in their communities on Indian land. A homeowner who purchases a house under this program can apply for financing through a FHA-approved lending institution.

Because of the complex title issues on Indian land, many lenders have been reluctant to finance housing. With FHA insurance, the lender's risk is minimized, and this program increases the availability of mortgage credit to Native Americans living on Indian land. FHA's low downpayment requirements and flexible underwriting standards increase the ability of Native Americans to meet the requirements for the loan.

Applicant Eligibility: Native Americans who meet FHA credit qualifications, wish to live on Indian land and intend to use the mortgage property as their principal residence.

Legal Authority: Section 248 of the National Housing Act (12 U.S.C. 1715z-13). Regulations are at 24 CFR 203.43h.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office and HUD field offices.

On the Web:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ins/sfh248

Current Status: Active.